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Commissioners...

The report of the

Commissioners...

Philadelphia

1865

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The report of the commissioners, appointed
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to revise the laws relating to taxation. Phil-
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REPORT

DOCUMENTS DIVISION

OF

THE COMMISSIONERS,

APPOINTED UNDER AN

ORDINANCE OF THE CITY OF PHILADELPHIA,

TO REVISE THE

LAWS RELATING TO TAXATION.

308

2

Box 722

PHILADELPHIA:

U. S. STEAM-POWER BOOK AND JOB PRINTING OFFICE, LEDGER BUILDING.

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2/19/46 r.c.

THE
REPORT OF THE COMMISSIONERS,

APPOINTED UNDER AN

ORDINANCE OF THE CITY OF PHILADELPHIA, TO
REVISE THE LAWS RELATING TO TAXATION.

*To Alexander Henry, Esquire, Mayor of the City of
Philadelphia :*

We had the honor to receive your appointment on the 5th of January, and have proceeded with diligence to discharge the duties imposed upon us by the Councils of the City of Philadelphia, to whom we now, through you, make our report. These duties were defined for us in the City Ordinance of the 26th November, 1864. They are "to revise the tax laws, so far as relates to the City of Philadelphia;" and "to fix upon and report some uniform rule or system upon which the actual value of all property made taxable may be ascertained," so that the same relative valuation of property may be obtained in all the Wards of the City, and to report to Councils as early as possible.

The occasion of this reference of the subject to us we infer to be the additional power conferred upon the City Councils, by the Act of 25th of August, 1864, "to levy a tax for municipal purposes, on all subjects of taxation specified by the 32d section of the Act of 29th of April, 1844, and to provide by Ordinance a system for the assessment thereof, and for the collection of taxes thereon."

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The words of the Ordinance asked us "to revise the tax laws;" and we immediately perceived that unless additional legislation should be had, the results of our labor must prove little satisfactory to Councils, to the public, or ourselves. We have, therefore, drawn two bills to be submitted to the Legislature, should the Councils recommend their enactment into laws.

We deemed it important to frame two bills, because one of them relates exclusively to the City of Philadelphia, which the Legislature, we think, will not hesitate to pass promptly, if it be recommended by Councils, since it will obviously benefit the State as well as the City; and which we deem one of great importance to the real estate owners within the limits of the City.

The other bill is framed to have a bearing on the whole State, for reasons hereinafter stated; but one we deem especially important to the whole Commonwealth, if it be important that laws should be certain, and equal, and efficiently executed, and not become the object of a contemptuous disregard. It may be that other views may prevail upon the subjects of this bill, or as to some of them, or that a more comprehensive substitute shall be enacted; but it became necessary for us to frame and present such a bill, with our views upon it, that it might appear why we have not now framed an Ordinance in respect to the imposition of taxes upon objects of personal property.

The ground work of our investigations is contained in the 32d section of the Act of 29th of April, 1844, which is in the words following:

"And whereas, it is necessary that provision be made for the payment of the interest upon the State debt; therefore, be it further enacted, that from and after the passage of this Act, all real estate, to wit: houses, lands, lots of ground and ground-rents, mills and manufactories of all kinds, furnaces, forges, bloomerie, distilleries, sugar houses, malt houses, breweries, tanyards, fisheries and ferries, wharves, and all other real estate not exempt by law from taxation; also all personal estate, to wit: horses, mares, geldings, mules, and neat cattle over the age of four years; also all mortgages, money

owing by solvent debtors, whether by promissory note, penal or single bill, bond or judgment; also all articles of agreement and accounts bearing interest, owned or possessed by any person or persons whatsoever, except notes or bills for work and labor done, and bank notes; also all shares of stock in any bank, institution or company, now or hereafter incorporated by or in pursuance of any law of this Commonwealth, or of any other State or government; and on all shares of stock or weekly deposits in any unincorporated saving fund institution, and all public loans or stocks whatsoever, except those issued by this Commonwealth, and all money loaned or invested on interest in any other State; also all household furniture, including gold and silver plate, owned by any person or persons, corporation or corporations, when the value thereof shall exceed the sum of three hundred dollars; also all pleasure carriages, both of two and four wheels; salaries and emoluments of office, all offices, and posts of profit, professions, trades and occupations, except the occupation of farmers, together with all other things now taxable by the laws of this Commonwealth, shall be valued and assessed, and subject to taxation for the purposes in this Act mentioned, and for all State and county purposes whatsoever."

This section, to which the City is referred as the source of power to increase her revenue, is, in itself, in some particulars, obscure; and, in some of its objects, not such as to bear much further pressure, without driving away capital to the injury of the commercial business of the City, and consequently to impair its growth and the general prosperity. Its inefficient execution has, heretofore, been relied upon to diminish its power of evil, in seeming forgetfulness of the evil of keeping in existence a law which the people are constantly asked to respond to, but are never expected or required to obey.

That the City assessments have not, for ten years past, included many of the objects enumerated in the 32d section, has, we understand, been owing to the doubt whether, under the Consolidation Act of 2d February, 1854, the City was a *County* under that Act, although the 40th section of that Act expressly declared, that "the City hereby created shall be the City and County of Philadelphia, and constitute, in all respects, one of the Counties of this State," and all the powers of the County officials were thereby conferred upon the Councils. This doubt, we

must presume, would have been readily removed, if the law had been deemed salutary and capable of equal and efficient execution, either by construction, or further legislation.

There are obvious difficulties in attempting to enforce the section in question, without further legislation. The first to be noticed is the fact that for twenty years the people have been educated to slight and disregard its provisions; and without further stringent enactments to enforce compliance with it, we cannot expect the officials or the people to volunteer to amend their delinquencies.

The State has sought to avoid, in large measure, the consequences of this inefficient execution of a very imperfect law, by requiring all State corporations to deduct from interest and dividends the taxes assessable upon them, but has not extended the like power to any County or City. This is a very sure method of collecting such taxes; and if it is expedient that the Counties should have the power to tax the same objects, it is equally expedient that they should have the same efficient method of collecting the taxes upon them. The Counties and Cities are not alien to the State, but part and parcel thereof, and their prosperity is hers; and if she has devised a good and efficient law for herself, she should not refuse it to the Counties and Cities. Let her limit the scope of taxation as seems wise; but so far as the law shall allow taxation, it should be sure that it may be equal, and may be held in respect by the people.

A subject that in the outset claimed our attention was, what was meant by the Act of 25th of August, 1864? When, by a law of *that date*, the City was authorized to levy a tax "on *all subjects* specified by the 32d section of the Act of 29th April, 1844," did the Legislature forget that that section had been materially modified by later legislation, as to its subjects of taxation? No doubt this was overlooked, otherwise the Legislature would not have

authorized the City to tax "the running or book accounts of merchants or others, for goods sold or work done," which were taken out of the 32d section by Act of 5th March, 1847; *Purd. 951*; also that it was modified by Act of 7th May, 1855, "as it relates to the several turnpike and plank road companies of this Commonwealth paying dividends not exceeding one per cent.;" *P. L. 507*; that by Act of 12th April, 1859, *Purd. 951*, building associations, plank road and turnpike companies are to pay no tax to the Commonwealth when they make no dividends; that, by the same Act, "the capital stock of all banks, saving institutions, and companies whatsoever, incorporated by or under any law of this Commonwealth, or that may hereafter be incorporated," shall be subject to and pay one-half mill on each one per cent. of dividend made or declared, but with the proviso, "that any institution or company (except banks of issue) now liable for tax on capital stock, as also upon dividends, shall henceforth be exempt from any tax upon dividends." It is true these last two acts relate only to the State tax; but will the State forget that what is just in respect to her tax must be equally just in respect to any County or City tax? And by other acts, objects within the 32d section have been excluded from County taxation, namely, the capital of banks, by Act of 1852, *Purd. 99*; notes discounted or negotiated, or held by any banking institution, *Purd. 952*; and rail road loans, *Purd. 942*. Are all these subjects restored to the 32d section, when re-enacted in 1864, for the City's taxation? It could hardly have been so intended, yet the two statutes of 1864 and 1844 stand together, as a single enactment of 1864, as a codicil makes the will speak from its later date. This omission to explain or qualify the 32d section calls for further legislation to this end.

The departure by the State from the common ground upon which the State and counties were placed by the Act of 1844, leads to great confusion in the returns to the

Commissioners, and in their returns to the State Revenue Board. In the uncertain state of the law, few tax-payers make their returns alike; and no two assessors follow an even rule. If corporate loans and stocks are returned for county taxation, they are likely to be returned by the Commissioners to the Revenue Board along with moneys at interest on mortgages, &c., and thus the County may be charged a second time with the State tax thereon, although the State has received her tax directly from the corporation, and although the County has never collected the tax for the State. When the same officers perform a common duty to the County and the State, it should be the same as to both upon the same objects of taxation.

The foregoing are some of the difficulties that have met us when considering the duty imposed upon us by Councils, "to provide, by ordinance, a system for the assessment thereof, and for the collection of taxes," on all the subjects of the act of 1844, contained in its 32d section, and others we will proceed to notice.

If we had proceeded at once to frame an ordinance under the Act of 25th of August, 1864, based upon the few general words contained in it, we could not but apprehend that we had too narrow a basis for many provisions and sanctions demanded by a "system for the assessment" of the City taxes. It appeared to us that the "system" should have the potency of law directly from the law-making power—the Legislature of the Commonwealth.

We were also necessarily brought to the consideration of the injustice we should inflict upon the citizens, the business, capital, and real estate of the City of Philadelphia, if we had had the undoubted power, and had proceeded to devise a system of higher valuations and fuller returns of the subjects of taxation than prevail in other portions of the State: all the increase in the return of taxable values for the City's rate, would have been subject to the State's rate of three mills on the dollar, while no

other portion of the State would add the like increase to the State's revenue. To the extent of the whole increase, that would have been a wrong to ourselves,—an exaggeration of an inequality that we believe already to exist.

It has been made manifest to every Revenue Board that convened at Harrisburg, from February, 1845, to the present time, that the valuations of real estate, from every part of the State, were never full, according to the requirement of the law; whilst the returns of personalty, and especially of moneys at interest and stocks, were never a tenth of their actual amounts or values; yet, although this was so made manifest to the Legislature and public by the report of the Revenue Board in every triennial year, no adequate remedy has ever been provided by the Legislature. By common consent a bad law, most imperfectly executed, has been, with full knowledge of the subject, suffered for twenty years to remain upon the statute book, with some things weeded out of it, but with imperfect appliances for its execution. The forms of obedience have been observed by the Assessors, by issuing and distributing circulars, asking for returns of subjects of taxation, but without insisting upon such returns in a manner to engage the truthfulness of the tax payer, or to involve his reputation or honor with his fellow citizens. Most frequently no answers have been made, and the friendly Assessor has made a very friendly guess as to the amount of taxable property of his neighbor and elector.

We think, whatever the law may be, it should be such that it ought to be executed, otherwise it should be repealed. If the subjects of the 32d Section will bear only a small rate of taxation in addition to the State tax thereon, then that limitation should be prescribed by the Legislature, but the subject of the tax and to its full value should be brought out truthfully, by adequate means. We have written some sections of a bill with this object in view; but it is not to be expected that any one part of the

State should be coerced by a different rule from all other portions; and this must, we think, be accepted as a sufficient reason why we have prepared these sections for a general law, and have not seen our way clear to prescribe laws for the City of Philadelphia, of a more stringent nature than such as shall be enacted for the whole Commonwealth.

Though the system of assessments by Assessors elected by the people, disposed to favor their electors, has this as an inherent source of weakness in the execution of the taxing laws, we have not seen our way clear to recommend any other agency of assessment. It is a very considerable source of strength to the law that it has the favor of the people, and their disposition to obey it. Such, indeed, is the basis of all republican governments. The people, we apprehend, would be averse to have a corps of Assessors and Tax Collectors, not of their own choice, placed as inquisitors and tax collectors over them, as their permanent State system, however willingly and patriotically they submit to it to meet the exigencies of the war expenses of the General Government. It seems to us that they would respond as willingly and truthfully to their own Assessors, if it was made their duty to do so under signature and oath or affirmation, under a law that shall be uniformly and equally executed, and with a rate of taxation so moderate as but to meet the public exigency, and not to put us to disadvantage with respect to our neighboring cities and states.

There are reasons of policy, as well as that which regards the efficient execution of the law, why capital invested otherwise than in real estate, should be subjected to but a limited rate of taxation. It with facility changes its place in the pursuit of profit. The Federal Government can, with much greater impunity, tax capital not fixed in realty, because her pressure is uniform over the States, and her pressure can only be escaped by transfer to

a foreign country. If a City, County, or State taxes fugitive capital unequally with others, it must give some countervailing benefit to stay the flight of capital. This, New York has done, with the addition of one per cent. interest allowed on moneys at interest. The result has been magnificent, in making her chief city the great money-centre of the country, and in a generally diffused enterprise and prosperity. We recommend a permission to contract for an additional one per cent. interest, or that the borrower may contract to pay the tax on the loan. This he will not do unless he perceives it to be his interest to do so.

Real estate owners, who will consider the whole subject in all its bearings, will not find in the views we are expressing anything unfriendly to their true interests. They know well, as do we, that while money may lawfully command six per cent., large amounts have been placed out at five per cent., payable at a distant day. At other times, when the demand is in excess of the supply, capital will seek a higher interest in New York, or in corporations authorized to pay an interest greater than six per cent. on loans. According to its own law, the value of capital will fall or rise with the opposing pressures of demand and supply. By its abundance or scarcity the prices of all things fluctuate, inclusive of that of real estate. Real estate alone is fixed and immovable, and must bear the ultimate pressure of the local taxation. The question for its owners to consider and solve is, how much taxation will capital bear without yielding to the pressure and passing away, and what will countervail that pressure? If capital is driven away, population goes with it, and is gathered round distant enterprises. Without capital houses, warehouses and manufactories cannot be built; and without population these cannot be occupied, nor produce rent or taxes, nor can markets for the produce of the farmers be sustained. Capital must be retained to be the

life of all business and enterprise, and to maintain the growth of cities, and the price of its real estate. To be retained it must have its fair profit, and not be unduly taxed.

While acting upon the subject, we recommend that the Legislature should clear the 32d section of the Act of 1844, of some of its uncertainties, and for this City make it conform with the later legislation upon it. We have framed a section for this purpose, which will explain itself.

With a low limitation as to the rate of taxation for both State and County taxation, we do not see why all stocks in banks, railroads, canals, and other corporations should not be subject to County as well as State taxation; whilst no county or municipality should be permitted to tax the loans they have obtained, with at least the implied promise to pay the agreed rate of interest without deduction.

Our State banks have generally passed from under State laws to bank under the Act of Congress; but this Act of 3d June, 1864, Statutes U. S. 112, § 41, permits the States to tax the shares in the National Banks, observing two restrictions: one that the rate of taxation shall not exceed that "upon other moneyed capital in the hands of individual citizens in such State;" "and not to exceed the rate imposed upon the shares in any banks organized under authority of the State where such association is located." This door thus opened, it is asked shall be open as well for the benefit of Counties as for the State, at the rate of taxation on moneyed capital. Upon this subject thus presented the law must prescribe the limit of taxation; and it is recommended that there should be a limit for both State and County taxation upon all moneyed capital and stocks.

With improved appliances for a fuller valuation and return of all personal property, trades, occupations, &c., it is believed that it would be better to subject them all to one rate of taxation, upon the money value or amount thereof; and so a section has been prepared.

It is believed that the action of the County Board of Revision of Philadelphia would be more uniform, and valuations better maintained, if a majority of members composing it were the appointees of the Court of Common Pleas; and such appointments should always be made with a special regard to the qualifications of the appointees to perform the duties of the Board. For this purpose the first section of the second bill was prepared.

The system of plans embraced in this bill we deem of great importance, to guard against the errors and irregularities of assessment, and as necessary to enable the Tax Solicitors to sue out claims for taxes and municipal charges; and, if adopted, will produce such certainty, as to the ownership, as to remove all occasion for selling houses and lots in erroneous names, and without notice to the true owners thereof; yet with loss of their title, though they may have been quite unaware of any delinquency towards the public. For not many dollars such claims have been sued, and properties sold of great value, even for filling a pool of water, or the burial of a horse or dog found dead on the lot; and when found out in time for redemption, the redemption is burdened with heavy costs and charges. This system of plans, with the work already prepared for it, need not be very expensive, and will at once be recompensed by the better, more equal, and full valuations of real estate; and again compensated many fold to the owners, by an increase of certainty to their title by these repeated recognitions of them, for every assessment upon a plan challenges all other adverse claim; and by their exemption from a liability to a sale for dues to the public in any other name than in that of the true owner, and without actual notice to him. In support of this proposed legislation we say further, that our investigations have well satisfied us that there exists great inequality in the valuations of real estate, both as to different properties in the same wards, and as between wards compared with each

other; and not unfrequently properties have been wholly omitted; and then again the same valuations have been continued against the former owners of large lots, in the process of sale for building lots, while the purchasers of these have paid a second tax on the same ground, or have paid none. What out lots are meant to be taxed is sometimes unascertainable, and in this uncertainty one must pay the tax of another, or incur the risk of having his property sold, though desirous to find out and pay his tax. It is a matter of surprise that we have endured this imperfect and dangerous system so long, if system that may be called which is so rife in error, apprehension of danger, and often of serious loss to innocent owners, who have never had any notice of the charge made against their property, nor of the judgment, nor of the Sheriff's sale of it, until the time of redemption has passed.

The bills herewith presented will give in more detail, and with greater accuracy, our views upon the important subjects committed to our consideration. If our work should meet with sufficient favor, we would suggest that it be presented to the Legislature in time for its action at its present session. When we shall know what action the Legislature shall take, then we shall be able to prepare an Ordinance for the consideration of Councils, in conformity with the legislation that may be enacted.

ELI K. PRICE,
JOSEPH A. CLAY,
ANDREW D. CASH,
JAMES C. HAND,
WM. BUCKNELL.

February 11th, 1865.

AN ACT

TO PROMOTE THE MORE CERTAIN AND EQUAL ASSESSMENT OF TAXES IN PHILADELPHIA.

Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania:

SECTION 1. The Court of Common Pleas of Philadelphia County shall, once in every three years, before the time of the revision of the taxes for the succeeding year, and as often as vacancies shall occur, appoint two persons, deemed the most competent, who, with the senior City Commissioner for the time being, shall compose the Board of Revision of Taxes of the county, a majority of whom shall be a quorum, who shall have the power to revise and equalize the assessments by raising or lowering the valuations, either in individual cases or by Wards, to rectify all errors, to make valuations where they have been omitted, and to require the attendance of the assessors, or other citizens, before them for examination on oath, or affirmation, either singly or together, with power to forfeit the pay of assessors, rateably to their annual compensation, for each days' absence when their attendance is required: And the said Board of Revision shall hear all the appeals and applications of the tax-payers, subject to an appeal from their decision to the Court of Common Pleas of the county, whose decision shall be final; and if the appeal to the Court shall be groundless, the appellant shall pay their

costs of Court. The City Commissioners shall have no power to correct or revise the taxes, but shall receive, in writing, the requests of tax-payers to have their taxes reduced, and lay them before the Board of Revision at the next meeting. The said Board of Revision shall hear the tax-payers of their respective Wards, in succession, of which notice shall be given, as now required by law, by the Commissioners and Assessors; and the said Board of Revision shall, alone, by a majority of them, exercise all the powers heretofore vested in the County Board of Revision, but shall not, in any instance, lower the aggregate valuation of the County. They shall meet as often, but not oftener, than is necessary to despatch the business which their duties require of them, and shall hold stated meetings on the first Saturday of each month, and receive the same compensation as the City Commissioners; but the senior Commissioner shall receive no additional pay for his services in the Board of Revision.

SECTION 2. The Chief Engineer and Surveyor of the City of Philadelphia, under an ordinance and appropriation by the Councils thereof, shall cause to be made books of plans of the said City, divided into sections so far as the streets of the said City are, or shall be laid out, which shall show the situation and dimensions of each property therein, with the City numbers thereof, and who are the owners, with such succession of blank columns as will permit the names of future owners to be entered therein, with the dates of transfers, and with index for recording such names alphabetically; and the person or persons who shall be employed to perform such duty shall have access to all plans of survey in the offices of any surveyor of the said City, to all books in the Recorder of Deeds' office, and all Records of the Courts, and in the Register's office, and may take copies or extracts thereof without any charge therefor.

SECTION 3. The original books, when made, shall be kept in the fire-proof of the Department of Surveys of the said City, and a duplicate set thereof shall be placed by the Chief Engineer and Surveyor in the office of the City Commissioners, and be there safely preserved in the fire-proof; and the said Chief Engineer and Surveyor shall keep up the books in his office, so as to show, at all times, who are the owners of the lots on the plans; and before the annual meeting of the Board of Revision for revising the valuations for taxation, shall cause the books in the Commissioners' Office to be brought up to that time; and such books shall be kept in such manner as not to destroy the evidence of the ownerships at any previous time, but by additions which will show the subdivisions of property, and the owners thereof, as transmissions of title may take place; and the said Chief Engineer and Surveyor may furnish copies of the said books, or parts thereof, for such price as may be fixed by Councils, for the use of the City, and his certificate shall be received in evidence, as and for such proof, as the assessment books would be, and lithographed copies of the said books may be multiplied, and sold for the profit of the said City.

SECTION 4. To enable the Chief Engineer and Surveyor of the City to keep up the said books of plans, it shall be the duty of every seller and buyer of ground upon the planned plot of the City of Philadelphia, to make report to him of every conveyance made, with the precise dimensions and locality of the premises, and so doing the same shall be received without charge, and noted on the deed of conveyance by the assistant of the said Chief Engineer and Surveyor. But if said seller and buyer shall both omit said duty, the Recorder of Deeds of the said County of Philadelphia shall not admit the deed of conveyance to record in his office, without charging fifteen cents for each lot described therein; and it shall then be his duty to furnish the proper description of such lot or lots, with the

date of conveyance and names of grantor and grantee, within one month, into the office of the Department of Surveys, under the penalty of one dollar for each omission, to be recovered as penalties for taking unlawful fees are recovered, for the use of the said City. And it shall be the duty of every purchaser of houses and lands at judicial sales, and of every one to whom an allotment in partition shall have been made, and of every devisee by will, to make return to the Chief Engineer and Surveyor of the purchase he has made, or allotment he has received, and of all devises made to him by will, with descriptions as aforesaid, which the said Chief Engineer and Surveyor shall receive without charge; but if he shall not have done so simultaneously with the completion of his purchase, or on partition perfected; or if, on probate of any will, the devisee shall not have done so, as to any houses or lands in the said City purchased, allotted or devised, it shall be the duty of the Clerk or Prothonotary of the proper Court, under whose authority such judgment or partition shall have been made, and for the Register of Wills, to furnish such descriptions as are above required of the Recorder of Deeds, so far as the wills to be proved in his office shall enable him to do so, for the like charge, and under the same penalty; and the Clerk, or Prothonotary and Register, may make such charge against such purchaser or party taking in partition, or devisee, on delivery of the deed, certifying proceedings in partition, or granting probate of the will; and that whether the same be in trust, or for any estate for life only, or otherwise, unless the party interested shall produce to him or them the certificate of the Chief Engineer and Surveyor that such duty has been performed.

SECTION 5. If neither the seller, nor buyer, devisee or heir, or other party who has acquired title to houses and lands in the said City, shall have furnished the description of the property sold as aforesaid, both he who may have

parted with, and he who acquired title, shall be liable for the taxes thereafter assessed thereon, without right of reclamation or contribution therefor, either against the other; and if the land or houses sold be afterwards sold for taxes thereafter accruing as a lien by record, before said duty shall have been performed, the purchaser shall acquire title, as now he may by law, within the County of Philadelphia; but if the said duty of making the return as required by this Act shall have been discharged by the party who shall have acquired title, in whatsoever manner, before the tax accrued as a lien of record, for which the same shall have been sold, the purchaser at the tax sale shall not acquire the title of such person who shall have performed said duty, or of his heirs or assigns, unless the sale shall have been made in the name of such owner, after service of process upon him, as in case of suit by summons.

SECTION 6. And should the Chief Engineer and Surveyor apprehend that conveyances, or devises, or descents of houses or lands, shall have taken place without being reported to him, he shall cause search to be made therefor, and perfect his books of plans; and every person found delinquent for six months after acquiring title, as aforesaid, in making report, as aforesaid, shall be liable to a fine of five dollars, to be recovered by the said Chief Engineer and Surveyor, in the name of the City, as debts of that amount are by law recoverable.

SECTION 7. The Chief Engineer and Surveyor shall preserve on file, arranged alphabetically and according to date, all reports made to him of descriptions of houses and lands, and for twenty-five cents shall give his certificate, at the foot of a duplicate of the description or descriptions, that report has been made into his office of the description of the designated property or properties, when a duplicate of descriptions shall be produced to him, with the certificate written out for his signature; and his certificate

shall be evidence for the receiver of it, and any Clerk, Prothonotary, and Register, and all others, that this law has been complied with.

SECTION 8. It shall be the duty of the City Commissioners to cause to be made assessment books, and duplicates, in the form that shall be prescribed by the Councils of the City, and no other, and to have the same bound and permanently preserved in their office, the duplicates whereof shall be kept in the office of the Receiver of Taxes. And they shall be made in conformity with the books of plans, to be furnished by the Chief Engineer and Surveyor, whenever, and as furnished by the successive Wards, omitting no property thereon, nor the name of any owner. And it shall be the duty of every Assessor, whenever he shall find any property to be owned differently from the name in the proper assessment book, to report such change to the Chief Engineer and Surveyor without delay, and the Chief Engineer and Surveyor, if finding such report correct, shall make the book of plans conform by the proper entry, but without erasure of any name; and the failure of the Assessor to perform this duty shall subject him to a charge or penalty of twenty-five cents, for each such omission, to be recovered as debts of the amount thereof are recoverable by law.

SECTION 9. It shall be the duty of all owners of houses and lots to furnish, forthwith, descriptions of their property to the Chief Engineer and Surveyor, to aid him in making up the books of plans, and whensoever such descriptions shall have been so furnished, and the certificate of the Chief Engineer and Surveyor shall be received, no property so returned shall be subject to sale for taxes, thereafter to accrue, as a lien of record thereon, except in the name of the owner as returned, and after recovery by suit and service of the writ on him made, as in case of a summons. And all such returns shall be arranged and filed alphabetically.

AN ACT

RELATING TO THE ASSESSMENT AND COLLECTION OF TAXES.

Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania :

SECTION 1. That when in this Act, and in the 32d section of the Act of 29th of April, 1844, entitled an Act to reduce the State debt, &c., the word *County* is used, it shall be taken to include the City of Philadelphia, as one of the Counties of the Commonwealth, and the City Receiver of Taxes shall be subject to the duty, and have the right to receive the taxes that any County Treasurer would have.

SECTION 2. That the authority conferred upon the City of Philadelphia to collect taxes upon the subjects specified in the said 32d section of the Act of 1844, shall be taken to be qualified by the several Acts of Assembly which exempt certain properties from taxation, and which have explained or modified said Act, and which exempt dividends from taxation when the capital of the corporation is taxed: *Provided*, that when real estate, exempted from taxation because of its charitable or religious use, shall be made productive of rent or profit, by a secular use thereof, it shall be commensurately valued as other productive real estate and taxed as such.

SECTION 3. That each County shall have the like authority that the State exercises by law, to demand and collect

of any corporation incorporated under the laws of this State, such tax as the County is authorized by law to lay upon corporate loans and dividends, and to require the return and payment thereof under the like penalties, by the proper officer of the corporation; and the assessors shall not inquire for nor make return of any loans or stocks, or interest or dividends thereof, upon which the tax is payable by corporations.

SECTION 4. It shall be lawful for all lenders of money by bonds, mortgages, notes, bills, or other writing signed by the borrower, to insert therein an agreement, that the borrower shall pay all taxes to be assessed by any law on the principal or interest of the loan, or that he shall pay interest at the rate of seven per cent. per annum on such loan, which the lender may recover by law.

SECTION 5. All corporate loans and shares, in companies organized under the laws of this State, subject to a State or County tax, shall deduct and pay the State or County tax (including Philadelphia), only in the place where their principal office is situated; but their real estate, taxable as such, shall be taxed only in the County where it is situated.

SECTION 6. Whensoever any corporate company, organized under any law of this State, subject to a State or County tax on dividends or capital, shall increase its capital or shares of stock by raising the value of the stock, or increasing the number of its shares, by reason of the retention of its own earnings or profits, or the estimated increase in the value of its property or franchise, it shall be subject to a tax on such increase of capital of five per cent., and be liable to pay the same under the same penalties as if such increase had been declared in cash dividends for the stockholders; and three-fifths of such tax shall be paid into the State Treasury, and two-fifths into the County Treasury, including Philadelphia.

SECTION 7. All dividends declared on stock held in all banks incorporated by this State, and in all National Banks in this State incorporated under any Act of Congress, shall be subject to a State and County tax of five per cent. thereon; which tax shall be deducted and paid by the Cashier of such banks, as provided by law as to corporations, who are required to deduct and pay a State tax on interest or dividends; and three-fifths of such tax shall be paid to the State Treasurer, and two-fifths to the Treasurer of the County where such bank shall be situated, including the Receiver of Taxes of the City of Philadelphia; and National and State Banks shall pay no higher or other tax under the laws of this State.

SECTION 8. The thirty-second section of the Act of 29th April, 1844, entitled an Act to reduce the State debt, &c., shall hereafter be taken to include all bonds and mortgages, promissory notes and bills, judgments, and all writings taken as the evidence of moneys lent, whether in this or any other State, to any solvent debtor, except notes and bills taken for work and labor done, and for goods sold, and bank notes; also to include all shares of stock held in any institution or company, corporate or unincorporate, and whether incorporated under the laws of this or any other State, and also to include all loans made to any of them; and also to include all public loans to any State, County, or Municipal Corporation, held or owned by any persons or corporations, within this State or elsewhere, excepting loans to the United States, and to this State, (except as this State may have taxed the latter for her own revenue,) and excepting loans heretofore made under the faith of any Act of Assembly exempting them from taxation, and excluding any deposits in any bank, incorporate or unincorporate, and all book accounts; and no County or Municipal Corporation shall tax any loans made to itself.

SECTION 9. The objects specified in the said 32d section

of the Act of 29th of April, 1844, as explained by the preceding section, except real estate, namely, all loans at interest owing by solvent debtors, whether individual or corporate, and all shares of stock, shall pay a tax of one-half mill on each one per cent. of interest contracted to be paid, and of dividends of income declared thereon, or five per cent. on such income; and all furniture, watches, and silver-plate, when these shall in the aggregate exceed three hundred dollars; all horses, mules, and cattle over four years of age; all pleasure carriages, and other taxable personal property, shall pay a tax of five mills on each dollar of the valuations thereof; and all salaries, emoluments of office, all offices and posts of profit, professions, trades and occupations, except the occupations of farmers and salaries paid by the United States, shall pay a tax of five mills on the clear annual amount thereof, after deducting all expenses necessarily paid in connection with the same, when such net amount shall exceed three hundred dollars per annum; of which said taxes three-fifths shall be collected and paid into the State Treasury, as now provided by law, and two-fifths shall be collected and paid into the County Treasury, or Treasury of the City of Philadelphia, as now provided by law.

SECTION 10. The Assessors of the Townships and Wards, in the Counties of the Commonwealth, including Philadelphia, shall serve a printed circular upon each taxable within his Township or Ward, in form to be furnished by the County or City Commissioners, as may be prescribed by the Auditor-General, and conformable to law, and shall require thereto answers to the several interrogatories therein contained, to be sworn or affirmed and subscribed by the taxable, which oath or affirmation shall be administered by the Assessor, by which interrogatories he shall demand an answer as to the value and amount of all properties and objects subject to a tax on the valuation or amount thereof,

and of interest and dividends subject to a tax thereon, not payable by State corporations, in such form as shall be provided as aforesaid.

SECTION 11. All trustees in every capacity, guardians, committees of lunatics and agents, in any way having charge of taxable property, shall answer the interrogatories as if owners thereof, and be liable for the taxes thereon; and all taxables shall answer the interrogatories addressed to them as to the value of properties taxable on the values thereof, both real and personal, by valuing them at such prices as they would bring if separately sold at a public sale, without sacrifice, and in all such particulars as shall be contained in the circular to be provided as aforesaid; and such returns shall be subject to correction both by the Assessor, and, on appeal, by the Board of Revision, if deemed too low; and Assessors, for any neglect of duty in furnishing or returning such circulars or otherwise, shall be subject to the same penalty and punishment as now by law provided for neglect of duty: *Provided*, that if the Assessor shall add to the return made to him, he shall give written or printed notice thereof to the taxable, and of his right to appeal to the County Board of Revision. All answers shall be returned by the taxable within thirty days after the interrogatories shall be served, personally or at his residence, and if not returned within that time, the Assessor shall estimate the properties and amounts subject to taxation, at what he believes to be their true value or amount, and add fifty per cent. thereto, and give the like notice thereof to the taxable as aforesaid, and such estimates shall be subject to correction by the County Board of Revision.

SECTION 12. The Assessors shall make return to the County Commissioners of the printed and written returns made by the taxables, alphabetically arranged, and they shall be so preserved, according to Townships and Wards,

for four years, subject at all times to the inspection of the Board of Revision.

SECTION 13. Every Assessor shall, before he shall receive his compensation, return to the County Commissioners, and City Commissioners of Philadelphia, a correct list of all the taxables within his Township or Ward, to the best of his knowledge and belief, under oath or affirmation; and, whenever required, give an explanation of all omissions to serve the circular prescribed to be served upon the taxables, or to obtain answers from them as required by law.

SECTION 14. It shall be lawful, and the duty of the Board of Revision, to award ten per cent. additional compensation to such Assessors who shall appear to them to have faithfully performed their duties according to law, and the certificate of the said Board shall be the proper warrant for the payment of such additional compensation.

SECTION 15. It shall be the duty of the County Commissioners to afford all information in their power to the Auditor-General, in relation to the valuations and assessment of all taxable properties within their respective Counties; and the Auditor-General, personally, or by such agents as he may employ, shall have access to, and may take copies of, all returns made into their office by the Assessors, and of all assessment books; and whensoever there shall appear to have been remissness in office, or failure to perform their duty faithfully, by any Commissioners or Assessors, it shall be the duty of the Auditor-General, or his agent, to make a representation thereof to the Board of Revision, for rectification of all errors and omissions, and also to proceed otherwise as provided by law for the punishment of all delinquents. And it shall be the duty of the Auditor-General, personally, or by such agents as he may employ, to require returns to be made by all corporations, of the

taxes they are liable to pay on interest, on loans, or on dividends upon stock, or otherwise, and to cause the same to be paid into the State Treasury.

SECTION 16. Every County Treasurer, and the Receiver of Taxes of Philadelphia, shall perform for their respective Counties, the like duties as are required of the Auditor-General in relation to the State, by the preceding section, either personally, or by agent duly appointed, as to the assessment and collection of taxes of said Counties and the City of Philadelphia, and in that behalf shall employ counsel to perform the like duties in respect to said Counties which the Attorney-General is by law required to perform in relation to the assessment, collection and payment of the State tax, whensoever officials, corporations or taxables shall be delinquent in their duty to the public.

SECTION 17. All men of lawful age shall pay a poll tax to the State of fifty cents, and a poll tax to the County of fifty cents, including the City of Philadelphia, in lieu of the present County personal tax.

SECTION 18. Nothing in this Act contained shall be taken to be a repeal of any former law, except so far as the same shall be hereby modified or altered.

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**END OF
TITLE**